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57-0171

MEMORANDUM FOR: Deputy Director (Support)

APR 2 1956

SUBJECT: International Business Machines Equipment

ILLEGIB

Bright

LKW

1. This memorandum and attachment are for information only.

2. In response to your verbal request, this Office has evaluated such information as is currently available and is considered significant in determining the advisability of purchasing International Business Machines equipment. No positive recommendation to purchase existing or like equipment, in whole or in part, is possible as of this date, as the International Business Machines Corporation has not made known its schedule of purchase price or maintenance arrangements. When such information is released, it will be considered in relation to the benefits which accrue to the Agency in taking full advantage of technological progress by the rental of the latest punch card equipment.

3. The purchase price of certain equipment manufactured by the second largest producer of punch card equipment (Remington Rand, Inc.) is approximately eight times annual rental. On this basis it could be expected that a capital expenditure of approximately \$3,100,000 would be necessary to purchase the equipment in use under the contracts listed in the attachment.

4. When the International Business Machines Corporation publishes its price schedules, this Office will be in a position to evaluate, in conjunction with Mr. [REDACTED] of the Management Staff, the relative merits of the present rental program as opposed to initiating partial or complete procurement of equipment.

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[REDACTED]

Attachment:
IBM Rentals for FY-1956

Acting Director of Logistics